UNITED NATIONS **S**

Security Council

Distr.
GENERAL

S/1996/717
4 September 1996
ENGLISH
ORIGINAL: ARABIC

LETTER DATED 4 SEPTEMBER 1996 FROM THE CHARGE D'AFFAIRES A.I. OF THE PERMANENT MISSION OF THE LIBYAN ARAB JAMAHIRIYA TO THE UNITED NATIONS ADDRESSED TO THE SECRETARY-GENERAL

I have the honour to transmit to you herewith the sixth comprehensive report on the damage caused by the implementation of Security Council resolutions 748 (1992) and 883 (1993), which covers the period from 15 April 1992 to 31 December 1995.

I should be grateful if you would have this letter and its annex circulated as a document of the Security Council.

(Signed) Ali Sunni MUNTASSER
Chargé d'affaires a.i.

96-22870 (E) 160996 170996

/...

Annex

Sixth comprehensive report on damage caused by the implementation of Security Council resolutions 748 (1992) and 883 (1993) during the period from 15 April 1992 to 31 December 1995

The substantial damage caused in the humanitarian, economic and social spheres by the coercive and unjust measures taken against the Libyan Arab people under Security Council resolutions 748 (1992) and 883 (1993) continues to worsen day by day. In addition, all infrastructure development programmes and plans have been adversely affected, thereby dashing the hopes and aspirations of the Libyan Arab people to achieve progress, well-being, development, stability, security and peace. Some particulars of the enormous physical, material and financial damage sustained by the Libyan people during the period indicated above are given hereunder.

HUMANITARIAN CONSEQUENCES

HEALTH AND SOCIAL WELFARE

The sector aims to provide for the health care and social well-being for all members of society and to achieve the noble goals established by the international community through its international and regional organizations and agencies. The goal of "Health for All" must be pursued so that all social groups and segments of society can make solid progress and objectives in the areas of health and social welfare can be achieved.

In this connection, it should be pointed out that the sector has sustained enormous material and humanitarian damage, affecting the Libyan population as a whole and most of the expatriates from Arab and other friendly countries living in the Libyan Arab Jamahiriya, as can be seen from the following examples.

1. Some 15,750 persons living in the Jamahiriya are suffering from serious medical conditions (cardiovascular disease; fractures of the spinal column and thorax; fractured skulls; chronic eye diseases; detached retinas; serious burns; cancer and malignant tumours) which require emergency treatment (neurosurgery; spinal marrow transplants; kidney transplants; corneal transplants; fitting of prostheses). Owing to the continuation of the aerial embargo, these individuals, who could not be treated in local hospitals and health-care facilities, could not be evacuated by air for treatment in other countries or for necessary medical examinations and surgery in hospitals and specialized health-care facilities with modern equipment. Because they could not obtain treatment, most of these patients died in tragic circumstances.

2. More than 780 seriously injured patients (most of whom were the victims of road accidents) died in ambulances en route to airports in neighbouring countries so that they could be transported by air for treatment abroad in spite of the difficulties of the overland journey.

3. There have been 1,135 stillbirths and 514 women have died in childbirth in the various hospitals owing to the shortage of medicines, serums and vaccines. Prior to the aerial embargo, such supplies had been imported regularly by air, with the usual precautions being taken to preserve their efficacy and usability. The Libyan Arab Jamahiriya was able in that way to meet its needs in this area, particularly in emergency situations.

4. Owing to the aerial embargo and the consequent increase in overland traffic, there has been a rise in the number of road accidents. As Libyans have had to take to the roads linking the major cities in the country, hundreds have been involved in accidents in which they have been killed or suffered permanent disability. There have been some 15,260 victims of road accidents, including 2,560 fatalities. The remaining 12,700 victims are suffering from serious injuries or permanent disabilities.

More than 18,200 public and privately owned vehicles have been damaged, for an estimated cost of $1,450,000.

5. The number of diabetics who have died has increased, owing to the unavailability of serums and medicines.

6. The shortage of poliomyelitis vaccine, which continues to worsen, has impeded the implementation of periodic or annual therapeutic, preventive and awareness-raising programmes connected with national and international immunization campaigns with specific timetables. Many Libyan and other children have thus been prevented from receiving doses at the prescribed times in accordance with the guidelines of the World Health Organization (WHO) and national public health laws and regulations.

7. Therapeutic and preventive services for school health programmes have been suspended, as have the programmes and activities of mother-and-child health-care centres and centres for the mentally retarded and physically handicapped.

8. International pharmaceutical companies have been slow in supplying the health and social welfare sector and hospital establishments with essential pharmaceuticals and equipment needed to treat and prevent diseases.

9. Companies specializing in the maintenance of air ambulances have refused to supply the spare parts needed to maintain the country's fleet and other on-board equipment. These aircraft, which service Libyan citizens and expatriates alike, are no longer able to perform fully their humanitarian mission, whether in Libya or abroad, given the country's extensive land area.

10. Delays have consistently occurred in the delivery of some medical supplies (serums, vaccines, blood products, hormones, reagents used in AIDS testing, radioactive iodine, etc.) because they are now shipped overland or by sea. Such supplies are usually shipped by air (so that the normal measures can be taken to preserve their efficacy); special permission must now be sought for the purchase of such items. When they arrive in Libya, most of these supplies (in particular, poliomyelitis vaccine) have lost their efficacy (having been stored under improper conditions) which has resulted in an increase in the number of

deaths among infants and women, particularly in childbirth, and disarray in the provision of health services generally.

11. Losses estimated at around $180,800,000 have been experienced in the health and social welfare sector owing to the maintenance of the aerial embargo against the Libyan Arab Jamahiriya, which has caused delays in the shipment of medical supplies. The Libyan Arab Jamahiriya obtains supplies from specialized international companies to meet the needs of a variety of institutions (medical schools, technical institutes, rehabilitation centres and homes for the elderly).

12. Maintenance of the aerial embargo has dealt a serious blow to preventive and curative health services provided under international technical cooperation agreements. The country is endeavouring to develop, strengthen and maintain such agreements with various countries in order to develop the health and social welfare sector and modernize its hospitals with the aim of providing improved medical, therapeutic and prophylactic services for all its citizens.

13. The maintenance of the embargo has also impeded cooperation programmes between the People's Committee for Health and Social Welfare and the bodies under it, on the one hand, and WHO, on the other. Most of the visits which international experts and WHO teams were to make to Libya have been cancelled or postponed, which has adversely affected all the major health care and preventive health programmes and hampered efforts to promote and modernize the health and social welfare sector. The failure or stagnation of international cooperation in this area would prevent Libya from achieving the targets set by WHO and pursuing the WHO strategy of "Health for All by the Year 2000".

14. More than 360 medical specialists and highly qualified instructors from universities and medical centres from around the world have been unable to come to the Libyan Arab Jamahiriya to treat patients with serious conditions, perform delicate surgical procedures in public hospitals, conduct examinations in the country's medical schools at different times of the year, and participate in conferences, symposia and courses organized in the country.

15. The growing shortage of spare parts has resulted in a deterioration in the maintenance of modern medical equipment used in hospitals and medical centres. In addition, there is the lack of technical skills in most hospitals and health establishments in major cities and villages alike.

16. More than 8,500 medical doctors of various nationalities have been unable to come to the country to work in the health and social welfare sector because of the difficulties and hardships presented by the maintenance of the aerial embargo. Some 6,400 medical specialists in various fields have not renewed their contracts, which has adversely affected the quality of health care in the majority of hospitals and other health facilities.

ECONOMIC CONSEQUENCES

I. AGRICULTURE AND ANIMAL HUSBANDRY

Since 15 April 1992, the implementation of the sanctions under Security Council resolutions 748 (1992) and 883 (1993) has inflicted serious damage and caused major financial losses in the agriculture and animal husbandry sector. These have affected all companies and institutions in the sector, as well as related development programmes. Agricultural output and meat production have fallen off markedly, resulting in financial losses estimated at $5,982,249,782.

A. Agriculture

Crop production

Examples of the damage and financial losses incurred in this sector are presented hereunder.

1. Because of the maintenance of the aerial embargo, farmers, agricultural cooperatives and agro-business have been unable to export their surplus production (vegetables, fruits), which are usually shipped by air. The financial losses amount to $710,777,777.

2. It has not been possible to import fruit seedlings for planting out in conditions allowing for them to be protected against plant diseases. Such seedlings are difficult to grow locally since seed is unavailable. It has also been impossible to import in sufficient quantity seed for ornamental plants or for ordinary and hybrid varieties of vegetables. This has prevented the country from attaining the objectives of its agricultural programmes. Financial losses in this area are estimated at some $20,500,000.

3. The country has been unable to import equipment needed to operate fruit tree nurseries. In addition, there is a growing shortage of skilled labour to work in the plant nurseries and public or private agricultural projects, which has resulted in a sharp decline in local output and the deterioration of plant health services. The financial losses incurred amount to approximately $13,750,000.

4. Because the country's associations of beekeepers have not been able to import bees directly by air, the authorities have been obliged to take delivery of shipments at airports in neighbouring countries. Many bees have died, resulting in increased costs, a drop in honey production and increased prices on the domestic market. Losses in this sector are estimated at $17,219,700.

5. The implementation of sanctions has caused a marked decline in crop production (cereals, fodder). Material and financial losses are set out in the table below:

Table 1

Item	Output		Shortfall	
	Target (Thousands of tons)	Actual (Thousands of tons)	Amount (Thousands of tons)	Value (dollars)
Wheat	455 502	153 760	301 742	53 922 984
Barley	942 294	369 448	472 846	64 555 289
Legumes	46 243	21 400	24 843	6 039 750
Fodder	805 994	621 316	285 278	73 807 256
Total	2 250 033	1 165 924	1 084 709	198 325 279

6. The decline in agricultural output during the 1995 crop year affected, in particular, fruit, olives, almonds, vegetables, foliar crops and cereals. Financial losses are estimated at $1,088,801,300.

Forestry and rangelands

Material and financial losses in the forestry and rangelands sector can be summarized as follows:

- Delay in the implementation of projects for the development and improvement of rangelands, and projects designed to develop forests and wooded lands with a view to the continued expansion of areas of vegetation cover in the country's various natural regions (coastal strip, plains and wadis, the depressions and plateaux of the country's extensive mountainous areas, and the low-lying Saharan oases). All these projects have been seriously set back. The resulting financial losses are estimated at $2,650,000.

- Delay in the delivery of fire-fighting equipment and vehicles has caused serious damage that is valued at some $3,973,777.

Water

- Difficulty in obtaining the equipment, supplies and spare parts required for purposes of digging wells and drilling for water, both surface and subsurface. Western countries are the main suppliers of these items, which cannot now be imported directly into the country, but must be shipped via other countries, with higher resultant transport costs.

- Difficulty in making travel arrangements for foreign technicians and workers with expertise in the fields of water-resources prospecting, well-drilling, and the analysis of drinking water, water for

irrigation and other agricultural applications, water for industrial uses, and so on.

Pest and disease control

- Difficulty in sending international agricultural product inspectors and animal health inspectors to countries of shipment, owing to the continuing ban on air transport to and from the country, which makes it very difficult for them to perform their inspection duties and follow-up activities. The result is increased costs for travel via third countries. Financial losses attributable to this situation are estimated at $277,777.

- Delay in establishing an agricultural pesticide analysis laboratory, with the result that the authorities concerned have had to resort to having pesticide residue analysis operations on agricultural products carried out in various friendly countries. This has meant additional financial losses estimated at a total of $55,555.

- Interruption of aerial campaigns aimed at locating and combating desert locusts, owing to the fact that the necessary equipment and supplies, spare parts for spraying aircraft and desert land vehicles, and the pesticides used to combat locusts are no longer available. This has made it impossible to implement and apply the technical cooperation agreements signed with the Food and Agriculture Organization (FAO) and the International Fund for Agricultural Development (IFAD) relating to the early detection of desert locusts and biological control programmes and campaigns.

- Growing shortages of the pesticides used to control insect infestations and outbreaks of disease affecting crops, fruit trees and so on.

B. The livestock sector

Examination of the losses that have been suffered in the livestock sector shows that they are steadily increasing. The situation may be summed up as follows:

1. The continued aerial embargo has crippled the country's plans and programmes for development of the animal health sector through the establishment of veterinary units and clinics in various areas, since the necessary veterinary medical supplies that were formerly imported from various Western countries can no longer be shipped in by air freight. The most important of these are the vaccines and biological materials which constitute the basis of animal production, since in their absence losses among unprotected livestock, including flocks of poultry, may be as high as 90 per cent.

2. There are growing shortages of the biological materials used for laboratory diagnostic purposes, and this has had an adverse impact on the programmes and work of the laboratories involved. In addition, making our task even more

difficult, samples can no longer be sent to international centres for the confirmation of diagnosis results in cases of animal disease, so we are forced to rely on such analysis and diagnosis as we can perform locally.

3. There are a number of contagious diseases affecting livestock, such as enterotoxemia and foot-and-mouth disease, against which there is no effective defence apart from systematic periodic vaccination. As this is no longer feasible, death rates among both adult and juvenile animals may soon exceed 70 per cent.

4. Many programmes and facilities associated with the livestock production sector have been shut down as a result of delays in obtaining the spare parts, materials, equipment and so on needed to maintain and operate them.

5. The Livestock Feed Corporation has had to contend with irregularity and unpredictability in deliveries of raw materials and the equipment needed to operate its production facilities, with the result that output rates have fallen well below target levels.

6. The Livestock Feed Corporation's production facilities have been hampered by frequent mechanical and electrical failures owing to delays in the delivery of essential spare parts, which are normally imported from abroad and air-freighted directly to Libya.

7. It is difficult to bring in skilled technicians who have been assigned by specialized foreign firms to Libyan corporations operating in this sector, such as the Livestock Feed and Milk Products Corporation, for the purpose of carrying out maintenance and emergency repair operations or making operating and technical monitoring inspections in the context of various cooperation programmes.

Livestock production

The material damage and financial losses that have made it impossible to attain production targets in the livestock production sector can be summarized as follows:

(a) Sheep and goats

The quantity of meat lost as a result of mortality among this category of livestock is estimated at approximately 131,280 tons, for a financial loss of approximately $3,201,173,000.

(b) Cattle

The quantity of meat lost as a result of mortality among this category of livestock is estimated at approximately 10,040 tons, for a financial loss of approximately $154,920,000.

(c) Milk

Milk production losses are estimated at 177,000 litres, for a financial loss of approximately $137,166,000.

(d) Poultry and eggs

Losses of poultry meat have amounted to approximately 57,237 tons, while approximately 884,031,500 eggs have also been lost. The financial costs resulting from these losses are estimated at approximately $396,327,617.

Livestock feed production plants

Material damage to livestock feed production plants has resulted in losses estimated at $41,666,000.

Plant and equipment

A policy orientation in favour of the expansion of agricultural projects has been adopted in the context of economic development plans and programmes covering both the public and private sectors. However, most of those projects rely on the use of imported plant and equipment. This, together with the continuing, growing toll of wear and tear on such plant and equipment, has given rise to serious shortages and problems which have had a direct impact on various aspects of development projects in the agriculture and livestock sector. This situation has come about because of the aerial embargo. The following paragraphs present a summary of Libya's difficulties relating to basic plant and equipment:

1. Agricultural equipment and supplies cannot be air-freighted directly into the country but must be imported via third countries, resulting in additional costs amounting to approximately $700,000.

2. Up-to-date agricultural equipment and technology, such as pumping stations, control stations and aerial photography equipment for remote sensing, which constitute basic necessities for purposes of agricultural development, are unobtainable, with the result that some agricultural projects have had to be cancelled while others have been suspended. Consequently, target acreage figures for land brought under cultivation, upgraded and developed have not been met.

3. Equipment for water treatment plants and irrigation systems and basic plant and equipment and spare parts for cattle and poultry production facilities, which need to be shipped quickly by air in order to minimize the material damage and financial losses resulting from the postponement of essential maintenance and repair work on production lines, could not be delivered in time.

4. Direct air-freight shipments of fertilized eggs for incubation, chicks and laying hens to the country have been discontinued, resulting in increased mortality and breakage and lower hatch rates in addition to higher costs because of the need to ship via other countries. In this situation, many producers have

abandoned poultry production, with the result that poultry and eggs have become scarce in local markets.

5. Deliveries of vaccines, serums and veterinary medical supplies have been delayed, with the result that it has not been feasible to implement immunization programmes designed to prevent livestock epidemics and contagious diseases.

6. It has been very difficult to import agricultural production supplies, especially seeds for vegetable and other crops. Furthermore, company representatives seldom visit and have largely given up attending scheduled sessions of the procurement committee. Consequently, it has not been possible to obtain prices that are lower than those prevailing in the high-priced local market, as the element of competition among suppliers is lacking. This has resulted in additional financial losses estimated at $1,666,000.

7. It has not been possible to participate in many international training courses, seminars, meetings, conferences, exhibitions and the like, with the result that the country has been deprived of the benefits of these events.

8. Scientific journals and publications dealing with technological innovation and research are slow to reach Libya, especially publications issued by specialized international organizations and agencies that are active in disseminating information and technical data relating to the spread of plant and animal diseases and epidemics in various parts of the world.

II. TRANSPORT AND COMMUNICATIONS

The transport and communications sector has suffered severely since the coercive sanctions were first imposed on Libya on 15 April 1992. Not only has this sector sustained heavy material damage and financial losses, but there have been moral and psychological impacts as well, which have adversely affected the capabilities, aspirations and morale of all transport and communication workers. Financial losses are estimated at $1,157,523,500.

Material damage and financial losses in this sector may be broken down as follows:

1. Libyan Arab Airlines

Libyan Arab Airlines has suffered heavy financial losses, amounting to $719,680,000, with the result that the company's management has been compelled to close most of its offices both inside the country and abroad and dismiss most of its workers, as it is not possible to meet the heavy outlays associated with these cost items.

2. Socialist Airport Company

The Socialist Airport Company sustained losses amounting to $65,962,500, with the result that it has been liquidated and has abandoned its activities altogether. Its revenues had dried up, owing to the discontinuation of international air transport to and from the country, and consequently the

company had had to face increased outlays for airport maintenance and equipment, besides the wages of the technical personnel who performed the airport maintenance work, with no income at all.

3. Light Air Transport Company

The Light Air Transport Company has sustained financial losses amounting to approximately $22,337,000. Among other things, it has been unable to train its aircrews, obtain the spare parts it needs to operate its aircraft, or implement its plans and programmes in a manner consistent with recognized international operating standards. As a result, many of its aircraft have been withdrawn from service.

4. Libyan Arab Air Freight Company

The Libyan Arab Air Freight Company has sustained financial losses amounting to approximately $179,300,000 and has suspended all its foreign and domestic activities. Among other things, it has been unable to train its aircrews, obtain the spare parts it needs to operate its aircraft, or implement its plans and programmes in a manner consistent with recognized international operating standards. Furthermore, it has had to bear the burden of other costs, including its employees' wages and benefits, without any revenue at all. As a result, the company has gone out of business.

5. General Board for Civil Aviation

The General Board for Civil Aviation has sustained losses amounting to approximately $49,000,000, broken down as follows:

(a) Payment of its employees' wages and benefits without having realized its anticipated revenues.

(b) Loss of the annual revenues previously accruing from the transit of foreign traffic through the country's airspace.

(c) Loss of the annual revenues previously accruing from the provision of ground services, air and navigational services and the necessary facilities associated with the provision of those services. There have also been other heavy material and financial losses linked with the provision of essential services and facilities in the air transport field in general. However, these losses are difficult to quantify.

6. Surface and maritime transport and postal communications

The surface and maritime transport and postal communications sector has sustained heavy losses, which may be broken down as follows:

(a) National General Maritime Transport Company

The National General Maritime Transport Company has sustained financial losses of some $56,034,000, owing to accelerated rates of depreciation of ships and increased expenditures on maintenance, equipment, services and spare parts.

The Company has also been encountering difficulties, obstacles and delays in securing the issue of bank letters of credit for insurance companies and international protection associations.

(b) Socialist Ports Corporation

The financial losses of the Socialist Ports Corporation have amounted to some $4,000,000, representing its past revenues from services and handling. It has also been unable to obtain the spare parts needed for operating and maintenance equipment.

(c) General Postal and Telecommunications Corporation

Financial losses in this sector have amounted to some $49,210,000, owing, for example, to the designation of intermediary exchange offices for the forwarding and receipt of international mail to and from the country. Postal administrations in foreign countries have also been holding frozen assets belonging to the Corporation.

(d) Road network

The increased use of public and private passenger and freight vehicles of all kinds on the roads has caused mounting and increasingly serious damage to the public road network throughout the country. There has been a corresponding increase in the financial resources required for maintenance of the public road network. Large amounts of money have also been required to meet increased costs for the general maintenance of vehicle fleets and for mounting consumption of petroleum and petroleum products. Overall financial losses in the transport sector are estimated at approximately $12,000,000.

The implementation of Security Council resolution 883 (1993) has given rise to many new problems for the transport and communications sector, such as the freezing of the financial assets of companies and public corporations in the sector and the difficulties encountered in securing the issue of the bank letters of credit required for the execution of sectoral projects. The sector also encounters other difficulties relating to insurance procedures and the additional expenditures for the overseas transfers made by companies and public corporations belonging to it.

The financial losses that have been sustained by the transport and communications sector are summed up in the table below:

Sector	Financial losses (dollars)
Libyan Arab Airlines	719 680 000
Socialist Airport Company	65 962 500
Light Air Transport Company	22 337 000
Libyan Arab Air Freight Company	179 300 000
General Board for Civil Aviation	49 000 000
National General Maritime Transport Company	56 034 000
Socialist Ports Corporation	4 000 000
General Postal and Telecommunications Corporation	49 210 000
Road network	12 000 000
Total financial losses	1 157 523 500

III. INDUSTRY AND MINING

Since the mandatory sanctions under Security Council resolutions 748 (1992) and 883 (1993) were first imposed, the industry and mining sector has continued to suffer considerable losses and other material damages. The total financial loss resulting from these increasingly adverse effects on all aspects of industrial development amounts to approximately $4,150,677,942, which can largely be ascribed to the following:

(a) A sharp drop of more than 70 per cent in the use of production capacity in the industry and mining sector and in the companies and enterprises of that sector;

(b) A decline of 30 per cent in the level of implementation of the operating budget (i.e., the foreign currency budget) in comparison with preceding years as a result of problems encountered in the procedures for the backing of credits that have been required of Libyan financial institutions and banks by foreign banks;

(c) A decrease in the purchasing power of the operating budget because of problems and delays in obtaining letters of credit and the need to use foreign banks as intermediaries;

(d) The large number of intermediaries involved in the procedure for the award of contracts for the procurement of goods, services and raw materials needed for production and maintenance, leading to an increase in the cost of producing industrial products in both public and private sectors;

The direct and indirect material damages and adverse impact sustained by the industry and mining sector and the enterprises and institutions in that sector, which amount to about $4,150,678,942, may be broken down as follows:

(a) The shutdown of many plants belonging to enterprises and institutions in the industry and mining sector, owing to a lack of raw materials, production equipment, spare parts and maintenance requisites, among other things;

(b) The suspension or delay of procurement, operation and maintenance programmes because of problems in obtaining bank credits and of maintaining contact with foreign companies and institutions in the industry and mining sector;

(c) A rise in the prices of raw materials and a consequent increase in production costs and in the prices of all types of locally manufactured products;

(d) Delays and problems in industrial export programmes;

(e) The fact that freight may be shipped only by sea, which led to delays in communications and the late arrival of bids and samples sent by foreign firms desiring to provide urgent items to the production units in the sector; this resulted in further delays in studying and analysing these bids and samples and meant that the necessary decisions could not be taken on time. This has had an impact on the opening of lines of credit and on import programmes for all the necessary items;

(f) Delays in the dispatching of credit instruments for financing the import of the raw materials needed to operate the production units, so that it has become necessary to resort to import-financing procedures that require financial backing; these take more time and have a negative impact on production programmes and targets in this sector;

(g) Delays in the delivery of urgent imports of raw materials and spare parts which were normally shipped by air, resulting in a slowdown in manufacturing in most production units that use raw materials which cannot be stored for long periods;

(h) Reluctance on the part of representatives of some international companies specializing in areas relating to the industry and mining sector to visit the Libyan Arab Jamahiriya, as a result of having to travel overland or by sea, to study possibilities for cooperation with Libyan and foreign enterprises;

(i) Reluctance of some international companies to exploit the possibilities of cooperation with Libyan enterprises because of the many financial mechanisms and administrative procedures required - particularly procedures for the issue of letters of credit - which result in wasted time and efforts, lost business opportunities and extra cost;

(j) Complications involved in organizing the arrival and departure of foreign technical assistance experts and equipment and of Libyan experts being sent abroad on official mission or for study or training, entailing the extra

cost of using overland or sea transport to visit friendly and neighbouring countries, combined with the additional fatigue resulting from these trips which may have the psychological effect of dissuading these experts from continuing to make their precious contribution and providing their vast theoretical and practical knowledge to help improve efficiency in the various areas of scientific and technical cooperation;

(k) Impediments to training programmes abroad, which are of the highest importance in replacing expatriate personnel with local technical personnel trained in operating and managing high-technology production units; this means depriving Libyan experts of the possibility of learning the advanced techniques required to follow the technological changes in the industrial sector of the industrialized countries;

(l) The continuation of the air embargo imposed on the Libyan Arab Jamahiriya by Security Council resolutions 748 (1992) and 883 (1993) and the considerable negative effects of this embargo, which have limited the capacity of companies and enterprises in the industrial and mining sector to meet the targets they have set for themselves; this has resulted in a decrease in production and in the rates of utilization of production capacity, which has forced the leaders in the sector to lay off a part of the nation's labour force and foreign technical assistance personnel; this has meant the loss of many job opportunities both for Libyans and for skilled foreigners residing in the Libyan Arab Jamahiriya.

IV. FINANCE AND TRADE

Like all the other vital sectors, the finance and trade sector has suffered on account of the air embargo imposed on the Libyan Arab Jamahiriya by Security Council resolutions 748 (1992) and 883 (1993). The total financial losses in the sector are currently estimated at $4,257,000,000, primarily owing to the following:

(a) The impact on gross domestic product of the output of the industrial, agricultural and fisheries sectors and of financial and banking transactions;

(b) A fall-off in imports and exports as a result of the increasing cost of purchasing and transporting goods that are permitted to be imported;

(c) A notable decline in export earnings because of low output in industry, agriculture and fisheries, since the air embargo prohibits exports by air;

(d) The freezing of Libyan assets abroad, leading to a loss of access to commonly used international financing facilities and delays in financial operations and in securing letters of credit because of the late receipt of the relevant instruments;

(e) A marked rise in prices on local markets, those of some goods having risen by more than 200 per cent and of others by 70 to 150 per cent, which has affected Libyan consumers by exhausting their savings, particularly in the case

of low-income groups, and has had an adverse impact on the real incomes of expatriates of all nationalities;

(f) The loss by Libyan and foreign businessmen of many business opportunities and the financial losses sustained by them owing to their being required to travel overland or by sea and by way of a third or fourth country and the consequent delays.

The scale of the financial losses sustained by the finance and trade sector can be stated as follows:

(a) There have been financial losses of some $890 million owing to the non-implementation of letters of credit in, for example, the importation of ready-made clothing and shoes, milk and other baby food, electric and other domestic appliances, spare parts, home and office furniture, and other essential goods imported from abroad to meet the consumption needs of the local market;

(b) Financial losses arising out of the shortfall in the output of industry, agriculture and fisheries have been in the order of $2,575 million, and their consequences are gradually beginning to affect the Libyan market;

(c) Financial losses owing to the drop in the volume of exports of agricultural and fishery products as a result of the air embargo have been in the order of $374 million;

(d) The freezing of Libyan assets abroad and the lack of access to banking facilities for the opening of credits and for transfers to meet the exportation and importation needs of the public and private sectors have resulted in financial losses of some $218 million;

(e) There have been financial losses valued at some $200 million arising out of additional travel costs for Libyan businessmen in the public and private sectors who have been obliged to adjust their travel arrangements to the routes flown by foreign carriers from airports in neighbouring countries and to prolong their travel to their countries of destination, causing them stress from fatigue and delays.

V. ENERGY (PETROLEUM AND ELECTRICITY)

The energy sector (petroleum and electricity) has suffered considerable material losses as a result of the mandatory sanctions applied pursuant to Security Council resolutions 748 (1992) and 883 (1993), and negative repercussions have been felt in most of the vital facilities and economic entities of that sector. The financial losses suffered by the sector are in the order of $3 billion.

The extent of the material and financial losses suffered by the energy sector (petroleum and electricity) is reflected mainly in the following areas:

(a) Delays in the development of Libyan oil refineries and losses in terms of added value;

(b) Delays in the development of the petrochemicals industry;

(c) Higher prices of imported goods and materials;

(d) Higher transport costs;

(e) Higher freight and marketing charges;

(f) Loss of opportunity to compete on external markets;

(g) Loss of investment opportunities.

Total financial losses due to the considerable material damage resulting from the implementation of Security Council resolutions 748 (1992) and 883 (1993) between 15 April 1992 and 31 December 1995: 18,734,702,224 dollars

Sector	Financial losses (dollars)
Health and social welfare	187 250 000
Agriculture and animal husbandry	5 982 249 782
Transport and communications	1 157 523 500
Mining and industry	4 150 678 942
Finance and trade	4 257 000 000
Energy (petroleum and electricity)	3 000 000 000
Total	18 734 702 224

20 August 1996